No. 90-1759

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

DAVID M. GESHWIND,

Petitioner,

—v.—

EDWARD GARRICK, Individually, EDWARD GARRICK PRODUCTIONS, INC., The SCIENCE MUSEUM OF MINNESOTA, and The ASSOCIATION FOR COMPUTING MACHINERY,

Respondents.

EDWARD GARRICK PRODUCTIONS, INC.,

Third-Party Plaintiff,

—v.—

JUDSON ROSEBUSH and DIGITAL EFFECTS, INC.,

Third-Party Defendants.

BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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STATEMENT OF THE CASE[1]

Rather than repeat all the facts established during the ten day trial of this matter, Respondents respectfully refer this Court to the findings of fact of United States District Court Judge Robert P. Patterson as set forth in Findings of Fact, Conclusions of Law and Decision dated April 12, 1990 ("Decision") (The Decision is included in the Appendix to Petition, pp. 7-33 and is published at 734 F. Supp. 644 (S.D.N.Y. 1990) and 738 F. Supp. 792 (S.D.N.Y. 1990). Respondents will also not attempt to correct all of the mischaracterizations contained in Petitioner's Statement of the Case, but will confine themselves to correcting certain egregious errors.

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[1] Pursuant to Rule 29.1 of the Rules of the Supreme Court of the United States, Respondents hereby advise the Court that none of them have corporate parents or subsidiaries.

First, Petitioner completely mischaracterizes the role of Donald Leich ("Leich"), an employee of Digital Effects, Inc. ("DEI"), in creating Japan Fly-By. Leich testified at trial that although Petitioner provided DEI with the storyboard created by Tohoku Electric Power Company, the ultimate client, and a commercial map of Japan, as well as some general suggestions during certain stages of production, it was Leich who took the general concept of a pair of power lines travelling through mountainous terrain and transformed it into a computer animation. (Tr. 1119).[2] In his Decision, Judge Patterson made the following factual determination:

> Geshwind disputes Leich's testimony, contending in effect that he gave Leich minute instructions in every aspect of Japan Fly-By, to such an extent that it was his sole creation. Geshwind is a self-interested witness.

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[2] References preceded by "Tr." refer to the transcripts of the trial of this matter.

> The Court accepts Leich's testimony as true and rejects that of Geshwind where it differs.

(Appendix to Petition, pp. 30-31). The Court of Appeals affirmed the Decision based on the opinion below. (Appendix to Petition, pp. 1-4). Petitioner has again chosen to exaggerate his role in the creation of Japan Fly-By to this Court.

Petitioner also falsely claims that DEI did not assert its ownership interest in Japan Fly-By until the trial. In fact, in his affidavit in support of Respondents' Motion for Summary Judgment, filed almost three years prior to the trial, Leich made clear that he considered DEI the author of the work:

> Geshwind provided DEI with a storyboard depicting the desired sequence, as well as topographic maps of Japan which would be used in designing the segment. It was DEI's job to take this general concept and produce an animated computer graphic

> which would meet Geshwind's and his Japanese client's needs.

(A-384).[3]

Finally, Petitioner mischaracterizes the way in which he received credit for the segment entitled "Rollercoaster" in early versions of the Omnimax film entitled "The Magic Egg." Petitioner implies that DEI and the producer of The Magic Egg, Edward Garrick ("Garrick"), decided to credit Petitioner as the 'creator' of the segment on their own, unrelated to the claims asserted by Petitioner. In fact, DEI and Garrick agreed to provide credit to Petitioner as an accommodation to Petitioner in an attempt to resolve the dispute. (Appendix to Petition, pp. 37-40). Indeed, in his Decision, Judge Patterson determined that after

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[3] References preceded by "A-" refer to those parts of the record included in the appendix filed by Petitioner with the Court of Appeals.

agreeing to the wording of the credit for Rollercoaster in settlement of Petitioner's claim, and after Garrick included the segment in The Magic Egg in reliance on such agreement, Petitioner's counsel improperly attempted to extract additional concessions from Garrick. (Appendix to Petition, p. 39).

SUMMARY OF THE ARGUMENT

The issues raised by this Petition For A Writ of Certiorari ("Petition") do not constitute "special and important reasons" for this Court to grant certiorari within the meaning of Rule 10 of the Rules of the Supreme Court of the United States. The first issue raised by Petitioner merely relates to an application of the facts of this case to the work made for hire provisions of the Copyright Act, as interpreted by this Court in Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989) ("CCNV"). The second issue relates to a procedural determination clearly within the discretion of the District Court.

In any event, there is no merit to either of Petitioner's claims. The Courts below were not required to analyze whether DEI or Leich was Petitioner's "employee" when such a finding was not even remotely suggested by the evidence and the

claim was never made by Petitioner to the District Court. Moreover, under this Court's analysis in CCNV, there is no basis for Petitioner's claim.

Petitioner cannot claim that he was unfairly prejudiced by Respondents' introduction of evidence demonstrating that DEI owned the copyright to Japan Fly-By when Petitioner never objected to the introduction of such evidence, and in fact, elicited such testimony himself.

ARGUMENT

I

PETITIONER HAS FAILED TO SET FORTH A SUFFICIENT BASIS FOR THIS COURT TO GRANT HIS PETITION FOR A WRIT OF CERTIORARI

Rule 10 of the Rules of the Supreme Court of the United States ("Supreme Court Rules") expressly provides that "[A] petition for a writ of certiorari will be granted only when there are special and important reasons therefor." The Rule provides that such reasons must be of a similar character to, among other things, (1) a conflict among the circuits on the same matter; (2) a decision by a court of appeals deciding a federal question in a way that conflicts with a state court of last resort; or (3) a departure by a court of appeals "from the accepted and usual course of judicial proceedings," or its sanctioning "such a departure by a lower court, as to call for an

exercise of [the Supreme Court's] power of supervision." Supreme Court Rules, Rule 10.

It is clear that even if Petitioner's claims had merit, which Respondents deny, Petitioner here has not presented any issue of the magnitude required by Rule 10.

The first issue raised by Petitioner -- whether the District Court improperly failed to apply the work made for hire analysis to Petitioner's relationship with DEI -- is merely an attempt by Petitioner to reargue for the third time his disagreement with the District Court's determination, affirmed by the Court of Appeals, that DEI, and not Petitioner, owns the copyright in Japan Fly-By. Petitioner has absolutely no basis for seeking this Court's review of that determination. See Branti v. Finkel, 445 U.S. 507, 512 n. 6 (1980) (reaffirming this Court's "settled practice of accepting, absent the most exceptional circumstances, factual determinations in which the

district court and the court of appeals have concurred"); Neil v. Biggers, 409 U.S. 188, 193, n. 3 (1972) (noting that the "rule of practice, under which the Court does not lightly overturn the concurrent findings of fact of two lower federal courts, is a salutary one to be followed where applicable"); Berenyi v. District Director, Immigration and Naturalization Service, 385 U.S. 630, 635-36 (1967) (to same effect).

The second issue raised by Petitioner -- that the District Court improperly permitted Respondents to raise an issue at trial that was not set forth in the Pre-Trial Order -- is clearly an issue that is within the District Court's discretion. The District Court was in the best position to determine whether Petitioner would be unfairly prejudiced by the introduction of particular evidence. See United States v. Nobles, 422 U.S. 225, 241, n. 16 (1975) (holding that the Court would not review a District Court's evidentiary

rulings "in the absence of a strong suggestion of an abuse of [] discretion or an indication that the issues are of sufficient general importance to justify the grant of certiorari . . ."). It is clear from the face of the Petition here that Petitioner's claim is not of "sufficient general importance" to merit the granting of certiorari by this Court. In any event, it is evident from the discussion in Point III, infra, that the District Court, and the Court of Appeals, had good reason for finding that Petitioner suffered absolutely no prejudice from the introduction of testimony challenging his ownership in the copyright to Japan Fly-By.

Accordingly, Respondents respectfully request that this Court deny this Petition.

II

THE COURTS BELOW CORRECTLY HELD THAT DIGITAL EFFECTS, INC., AND NOT PETITIONER, WAS THE SOLE CREATOR OF JAPAN FLY-BY

Section 201(a) of the Copyright Act provides, in pertinent part, that the "[c]opyright in a work protected under this title vests initially in the author or authors of the work." 17 U.S.C. § 201(a) (1989). As this Court noted in CCNV, 490 U.S. at 737: "[A]s a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection."

In the instant case, the District Court, after a painstaking review of the process involved in creating "Japan Fly-By," ruled that DEI, through the creative efforts of its employee Leich, was the sole author of the work, and therefore owned the copyright. (Appendix to Petition, p. 32). In reaching that decision, the District Court

expressly credited the testimony of Leich over that of Petitioner. (Id. at 30). The Court of Appeals affirmed this finding, without opinion, "substantially for the reasons" given by the District Court.

Petitioner's argument that the District Court failed to consider whether DEI was an "employee" of his under § 101 of the Copyright Act makes no sense. There was absolutely no reason for the Court to include in its Decision an analysis of whether DEI created Japan Fly-By as an "employee" of Petitioner because such an idea is illogical. In fact, Petitioner never made such a claim to the District Court either during the trial or in post-trial memoranda.

Even if this Court were to apply the work made for hire analysis to Petitioner's new theory, it is obvious that neither DEI nor Leich was Petitioner's employee. Section 101 of the Copyright Act provides that a work is "for hire" if

it is "prepared by an employee within the scope of his or her employment."[4]

In CCNV, this Court ruled that agency principles should be applied to determine, under § 101(1) of the Copyright Act, whether a commissioning party is entitled to be considered an author for copyright purposes under the work made for hire doctrine. Id. at 751-52. This Court considered such factors as: (1) the hiring party's right to control the manner and means by which the product is accomplished; (2) the skill required by the hired party; (3) the location of the work; (4) whether the hiring party has the right to assign additional projects to the hired party; (5) the method of payment; and (6) the provision of employee benefits. Id. at 751-52.

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[4] Subsection (2) of the § 101 definition cannot possibly have application here since it is undisputed that there is no written document evidencing a specific intention to make Japan Fly-By as a "work made for hire."

It is clear under this Court's analysis in CCNV that neither DEI nor Leich was Petitioner's employee under the work made for hire doctrine. First, it cannot seriously be maintained that Petitioner was the employer of DEI, a corporate entity; nor can Petitioner realistically contend that he was Leich's employer when it is undisputed that Leich was an employee of DEI. But even if one applies the principles of agency here, it is clear that Petitioner was not the employer of either DEI or Leich. Although Petitioner provided certain direction during the course of production, Petitioner did not even provide the initial concept for the piece. It is undisputed that the storyboard came from Japan. (A-176). The remaining factors make it clear that DEI and Leich were operating as independent contractors. It is undisputed that Leich, and everyone else employed by DEI, were highly trained and creative people, that all of the production work for Japan Fly-By

took place at DEI's offices, using DEI computers, subroutines and staff (Tr. 1090; A-269), that Petitioner clearly had no right to assign additional projects to DEI or Leich without entering into a separate contract, that the method by which Petitioner paid DEI was consistent with the compensation of independent contractors (Ex. 94)[5], and that Petitioner did not provide employee benefits to DEI or Leich.

It is clear from the foregoing that there was no reason for the Courts below to analyze the work made for hire doctrine with respect to the relationship between Petitioner and DEI. In any event, there is no basis for Petitioner's claim that he was the owner of the copyright to Japan Fly-By by virtue of the work made for hire doctrine.

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[5] References preceded by "Ex." refer to the exhibits included in the Exhibit binder filed by Petitioner with the Court of Appeals.

III

THE COURTS BELOW PROPERLY CONSIDERED THE ISSUE OF COPYRIGHT OWNERSHIP

Petitioner claims that he was prejudiced by the District Court's willingness to hear testimony regarding the claim that DEI, and not Petitioner, was the copyright owner of Japan Fly-By. Petitioner argues that Respondents did not include this issue in the Pre-Trial Order, and therefore, the Courts below should not have considered the issue and dismissed Petitioner's copyright claim on the basis that DEI was the owner of the subject copyright. There is no merit to Petitioner's claim.

First, the Pre-Trial Order did set forth disputed issues of law which covered the question of whether or not Petitioner owned the copyright in Japan Fly-By. The first and second issues contained in Defendants' Statement of Issues of Law read:

> (1) Whether Geshwind has standing to assert a claim under the Copyright Act for an allegedly unauthorized commercial use of "Japan Fly-By"?
>
> (2) Whether plaintiff is the legal or beneficial owner of the exclusive right to promote "Japan Fly-By" commercially in order to give him standing to assert his claim under the Copyright Act for an allegedly unauthorized commercial use of "Japan Fly-By"? See 17 U.S.C. § 501(b); Eden Toys, Inc. v. Florelee Undergarment Co. Inc., 697 F.2d 27 (2d Cir. 1982); Broadcast Music Inc. v. CBS Inc., Copyright L. Rep. (CCH) ¶ 25,556 (S.D.N.Y. 1983).

(A-249-50). There is, therefore, no factual basis for Petitioner's claim.

In any event, Petitioner cannot possibly show that he was prejudiced by the introduction of evidence challenging his ownership of the copyright in Japan Fly-By. The record is clear that Petitioner did not object to testimony related to the ownership of the copyright, nor did he object to testimony claiming that DEI was the owner. Petitioner only raised this issue on appeal in a

desperate attempt to find an issue upon which to challenge the Decision. In fact, at one point during the trial, Judge Patterson specifically alerted Petitioner's counsel, Anthony Handal, to the fact that DEI claimed ownership in the piece and Petitioner's counsel acknowledged that fact:

> THE COURT: You were conferring with Ms. Avellone [Petitioner's co-counsel] while I was asking those questions. You understand that the witness is assuming that his shop was the creator?
>
> MR. HANDAL: Yes, Your Honor.
>
> THE COURT: And that all they did was complete, after creating the product, sold the film to Mr. Geshwind for ultimate sale to Ruenitz. That's what he is assuming.
>
> MR. HANDAL: Let me ask the witness one further question.
>
> THE COURT: He's not accepting Mr. Geshwind's testimony at all. I just want to be sure you understand that's what he's doing when he answered my questions.

(Tr. 1104-05).

In fact, it was Petitioner who first put DEI's role in creating Japan Fly-By in issue. Petitioner called DEI's former president, Judson Rosebush, as his first witness on his main case and elicited testimony about DEI's knowledge of and experience with computer animation and its role in the creation of Japan Fly-By. (Tr. 145-78, 259-62, 274, 301-08).[6] Thereafter, Petitioner devoted practically all of his case to proving that he contributed enough to the work to be considered the author, and that DEI and Leich were engaged in only the mechanical aspects of creating the piece. (Tr. 380-428, 690-94, 1281-1301). Accordingly, Petitioner clearly waived any right he may have had to object to the introduction of this testimony.

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[6] During Petitioner's examination of Rosebush, the issue of which party owned the database and video display to Japan Fly-By was expressly raised and discussed with the Court. (Tr. 231-38, 293-96, 300-01, 1094-1105, 1113-14).

Courts have repeatedly held that parties cannot claim surprise or prejudice when a court rules on an issue which was not contained in a Pre-Trial Order where evidence relating to that issue was introduced at trial and the complaining party did not raise an objection. Bradford Trust Company of Boston v. Merrill Lynch, Pierce, Fenner and Smith, Inc., 805 F.2d 49, 53-54 (2d Cir. 1986) (where the issue of forgery was raised several times and described as the "key" issue during the short bench trial without objection by plaintiff, trial court did not abuse its discretion in denying post-trial motion to modify the pre-trial order or to reopen the case to permit appellant to submit evidence already available to it); Bucky v. Sebo, 208 F.2d 304 (2d Cir. 1953) ("[A]s plaintiff's counsel during the trial made at least a brief reference to the issue. . . and as defendant's counsel did not then object or ask an adjournment, we think that the trial judge was at liberty to

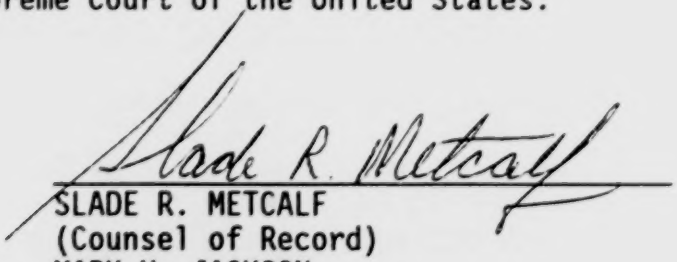
consider that issue. . ."). Accordingly, there is no merit to Petitioner's claim that he was unfairly prejudiced.

In addition, it has been established that a party cannot claim that it was surprised or prejudiced by the admission of evidence on a certain issue when that issue constitutes an element of the party's case. Bradford, 805 F.2d at 53 (although it was "a close question" whether the issue of forgery was listed as a disputed legal issue in the Pre-Trial Order, "[n]onetheless, [ ] plaintiff was obligated to present its case and to prove the elements of its cause of action."). Since it was Petitioner's burden as plaintiff to prove that he owned the copyright by virtue of his "authorship," Reyher v. Children's Television Workshop, 533 F.2d 87, 90 (2d Cir. 1976), cert. denied, 429 U.S. 980 (1976); Jones v. CBS, Inc., 733 F. Supp. 748 (S.D.N.Y. 1990), he cannot now claim that he was prejudiced by Respondents'

introduction of evidence challenging his authorship.

CONCLUSION

WHEREFORE, Respondents respectfully request that this Court deny the Petition For A Writ of Certiorari and grant any such further relief as this Court deems just and proper, including damages and double costs pursuant to Rule 42 of the Rules of the Supreme Court of the United States.



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